

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6436**

**BILL NUMBER:** HB 1047

**NOTE PREPARED:** Feb 22, 2007

**BILL AMENDED:**

**SUBJECT:** Disclosure of Employer Health Care Spending.

**FIRST AUTHOR:** Rep. Dickinson

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires an applicant for or a recipient of medical assistance administered by the state to provide information concerning the applicant's or recipient's employer or the employer of each person who is responsible for providing any part of the applicant's or recipient's support. The bill requires the office of the Secretary of Family and Social Services (FSSA) to submit annually to the Legislative Council a report that provides certain information about employers identified by at least 50 recipients of medical assistance.

The bill requires an employer that employs at least 1,000 employees in Indiana to file with the Commissioner of the Department of Labor an annual report that provides certain information concerning the employer's spending during the preceding calendar year for health care benefits for its employees in Indiana. It also provides that the report is a public record. The bill requires the Commissioner to assess a civil penalty not to exceed \$500 against an employer that fails to file an annual report or files a substantially and materially insufficient or incorrect report. The bill also provides that each day an annual report is late is a separate violation for purposes of assessing a civil penalty.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** *Health Care Report* by FSSA: The bill requires FSSA to, not later than October 1 of each year, submit to the Legislative Council a report listing the employers identified by at least 50 recipients who received medical assistance during any part of the preceding fiscal year. Medical assistance is defined as health care or hospital benefits received under the Community and Home Option to Institutional Care for the Elderly and Disabled (CHOICE) program, Medicaid, the Children's Health Insurance Program (CHIP), or any other program providing health care or hospital benefits administered by the state. The report

must include the name of the employer; the address of each location of the employer where at least one recipient or person who was responsible for providing any portion of a recipient's support was employed; the number of recipients who were employees or children or other dependents who identified an employee as responsible for providing any portion of the recipient's support; and the total cost to the state of the medical expenses provided to the recipients.

Employer information is currently collected by the Medicaid and CHIP programs; however, it is not collected by the CHOICE program. The FSSA reports that there would be a cost of \$1,445 to modify INsite, the CHOICE database, to collect employer information. In addition, FSSA would experience an increase in overall workload. This provision of the bill should be able to be completed within the office's existing level of resources.

*Health Care Expenditure Report:* This bill requires all employers of at least 1,000 employees to file with the Commissioner of the Department of Labor a report concerning the employer's spending during the preceding calendar year for health care benefits for its employees. The state would be responsible for filing a copy of the report with the Commissioner. The state should have this information readily available. Any increase in workload as a result of the requirement to submit a report would be minimal.

Counties employing at least 1,000 employees would be responsible for filing a report with the Commissioner. The majority of counties do not employ that number of employees. Thus, the provision of the bill would only apply to a few counties.

As proposed, the Commissioner of the Department of Labor would be required to assess a civil penalty in an amount not to exceed \$500 against an employer who either fails to file the report required or files a report that the Commissioner determines is substantially and materially insufficient or incorrect. Each day that the report is late is considered a separate violation for purposes of assessing a civil penalty. Civil penalties will be deposited in the state General Fund.

**Explanation of State Revenues:** See *Explanation of State Expenditures*.

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:** See *Explanation of State Expenditures*.

**State Agencies Affected:** Department of Labor; Family and Social Services Administration.

**Local Agencies Affected:** Counties.

**Information Sources:**

**Fiscal Analyst:** Sarah Brooks, 317-232-9559.